

Drilling For Oil in ANWR

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The intrusive nature of fossil fuel extraction makes it an undertaking which is disastrous for the surrounding ecosystem. As one of the world's few remaining balanced ecosystems, it is imperative that corporate interests are not given the opportunity to begin exploiting the resources of the Arctic National Wildlife Refuge (ANWR).

Alaska's North Slope is the 48.8-million acre coastal region sandwiched between the peaks of the Brooks Range, which runs East/West across the northern portion of Alaska, to the south, and the Arctic Ocean to the north. This region consists of three major areas: National Petroleum Reserve-Alaska, Prudhoe Bay, and the coastal region of ANWR, designated the "1002" area. While the two former areas have been opened to oil development, the latter has remained undeveloped, except for seismic testing and exploratory surveillance carried out by the United States Geological Survey in the 1980's, because of its importance to the surrounding ecosystem.



ANWR is a continuum of 6 different eco-zones, encompassing 19,049,236 acres of land (Gallagher, M.). It is home to 36 species of fish, 180 species of bird, 36 species of land mammals and 9 species of marine mammals (USFWS).

Despite the advent of less intrusive technologies in recent years, the infrastructure, equipment and personnel necessary for fossil fuel development is still very destructive and would certainly cause irreversible damage to the ecosystem of ANWR and the neighboring Yukon territory (in Canada). As it turns out, several of the "low-impact" technologies have no, or limited, feasibility for use in ANWR's 1002 area. A view of any of the thousands of oil fields

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and off-shore oil rigs which dot the American landscape and coastlines makes it clear that claims of petroleum extraction infrastructure coexisting, in harmony, with nature are absurd.



In 1923, upon finding evidence of large amounts of untapped oil, President Harding created the 23-million acre Naval Petroleum Reserve, number 4 (NPR-4) in the western North Slope of the Alaskan territory. The purpose of such reserves was to ensure that the U.S. Navy had an untapped source of domestic oil in the event of war. NPR-4 was America's largest Federal oil reserve, which would remain undeveloped for many years.

During World War II, the entire North Slope was restricted from public development, and held exclusively by the military for emergency use. (USFWS).

In 1950, as the Alaska Statehood Committee was pushing for statehood (Schubach, E.), largely due to the populist perception that corporations based in the state of Washington were receiving more wealth from Alaska's resources and trade than were Alaskans, the National Park Service (NPS) began a survey of Alaska to identify areas with "special natural values". After concluding the survey, in 1954, the NPS recommended the preservation of "the undisturbed lands in the northeastern corner of Alaska...for their wildlife, wilderness, recreational, scientific and cultural values." (USFWS, Refuge History).

In 1957 President Eisenhower's Secretary of the Interior, head of the Department of the Interior, which manages the use of Federal lands, Fred A. Seaton, opened up 20 million acres of the North Slope for leasing to commercial interests. Then in 1960, the year after Alaska achieved statehood, Seaton established the Arctic National Wildlife Range, which covered 8.9

million acres of Alaska's northeastern coastal and mountain region. (USFWS, 2001). The result was that 40 million acres of the Alaskan North Slope were set aside for oil, gas and coal development, for Federal and commercial interests, as well as other uses, and the remaining 8.9 million acres were preserved for their important ecological value to the region.

1968 saw the discovery of North America's largest oil field at Prudhoe Bay, covering 5,000 acres. President Johnson quickly halted commercial development of this area, conserving the area resources for pending native claims on the land rights. In 1971 President Nixon signed the Alaska Native Claims Settlement Act (ANCSA). This Act mandated that portions of all proceeds from Alaskan oil development would be paid directly to Alaskan natives. Several corporations, one for each village, plus an extra corporation that includes natives that have relocated out of their native villages or out of state, for a total of 13, were organized to maximize the potential of the oil-generated revenue. The act also gave leasing rights to the North Slope area between NPR-4 and ANWR to the state and local (native) corporations. This includes the oil-rich Prudhoe Bay.



In response to the fact that the revenues derived from ANCSA did not apply to subsequent generations, only natives living at the time of ANCSA's ratification would receive revenues, the state amended its constitution to establish the Alaska Permanent Fund (APF).

Article 9, section 15 states:

*“At least twenty-five per cent of all mineral lease rentals, royalties, royalty sale proceeds, federal mineral revenue sharing payments and bonuses received by the State*

*shall be placed in a permanent fund, the principal of which shall be used only for those income-producing investments specifically designated by law as eligible for permanent fund investments. All income from the permanent fund shall be deposited in the general fund unless otherwise provided by law. [Amended 1976]”*

(The Alaska Constitution)

The purpose of this amendment was to ensure that the state would directly benefit from its resource wealth. One year after the establishment of the Alaskan Permanent Fund, oil production began at Prudhoe Bay.

While it is a commendable social model to compensate the populace for the negative externalities, a term, in economics, used to describe costs which are not accounted for when setting prices, and are paid for by parties other than the producer or consumer, such as pollution, displacement, loss of subsistence and decreased land value generated by industry, the amount of ecological damage due to industry has divided Alaskans in subsequent years.

As oil-drilling and mining began displacing more and more of Alaska’s natural habitat, traditional means of subsistence, and commercial fishing industry, lobbying was underway to open up to commercial land and offshore drilling. Recognizing the need to

*“...preserve for the benefit, use, education and inspiration of present and future generations certain lands and waters in the State of Alaska that contain nationally significant natural, scenic, historic, archeological, geological, scientific, wilderness, cultural, recreational, and wildlife values”* (Public Law 96-487, 1980) (ANILCA, Title 1),

Congress passed the Alaska National Interest Lands Conservation Act (ANILCA). This act designated certain federal lands as units of the National Park System, National Wildlife Refuge

System, National Wild and Scenic Rivers System, National Wilderness Preservation System and National Forest System. It also required the Secretary of the Interior to develop detailed strategies to ensure the conservation and proper use of these areas.

Unfortunately, in order for the act to pass, compromises had to be made. Although the size of ANWR, which was renamed Arctic National Wildlife Refuge, had been extended south, beyond the Brooks Range, to more than double its previous size (19.5 million acres), section 1002 of the Act designated the North Slope portion of ANWR for assessments of fish and wildlife resources, analysis of impacts of oil and gas development and “exploratory activity”. It goes on to define “exploratory activity” as geological and seismic exploration for oil and gas (ANILCA Title X, section 1002 (a), (b2)). Section 1003 then defers the matter of whether or not to allow drilling in ANWR to a later date, by prohibiting drilling “until authorized by an Act of Congress” (ANILCA, Title X, 1003). Essentially, this amounts to the US taxpayers paying for the costly exploration for oil and assessment of its impact throughout the 1980’s, while the oil companies wait for their free results.

In 1980 state legislation created the Alaska Permanent Fund Dividend Corporation, the purpose of which was the distribution of Permanent Fund dividends to all Alaskan residents. Originally, the amount of dividends received was based on the length of residency, however that aspect changed after the Supreme Court ruled that law unconstitutional (US Zobel v. Williams, 1982).

In 1995 President Clinton vetoed a budget reconciliation bill because it included a “rider”, an attachment to a bill that may not have anything to do with it, which authorized drilling in ANWR. Hiding the legislation in the budget bill is an attempt to get around not having the support necessary to pass an Act of Congress, as required by ANICLA, 1003. In

subsequent years threats to filibuster any attempts to open ANWR to drilling by some Democratic Senators, and a lack of the necessary 60 vote majority to bypass a filibuster, forced the drilling proponents to temporarily drop the issue.

During these proceedings Alaskan Senator Frank Murkowski, in response to preservationists' claims that ANWR is one of the most awe-inspiring landscapes in America, brought out a series of visual aides, one of which was a white piece of poster board. He quite humorously placed the blank, white poster board on the easel and stated, "This is what the Arctic National Wildlife Refuge looks like for 9 months out of the year, don't be misinformed..." (Sierra Club, 2004). Perhaps even more humorous is the fact that someone who would make that argument would also accuse anyone else of being misinformed. Are we supposed to believe that ANWR has no natural value beyond oil extraction because Sen. Murkowski points at a white poster?



Maybe Sen. Murkowski is not aware of the subtle aspects of an eco-system being just as important to its balance as the obvious aspects—that landscape which he finds so boringly white during the winter is home to several dozen polar bear dens, all but a few of them existing in the coastal "1002" region. Just because they are hibernating, does not mean they don't require the habitat. 130 species of bird, from five continents, flock to ANWR's coastal region for summer nesting. Among them are species from all 50 states in America (USFWS, American Bird Conservancy, 2006).

While the United States Geological Survey was surveying ANWR for the oil companies and assessing possible effects of drilling, the United States Fish and Wildlife Service was studying the habitat of ANWR and surrounding areas. The USFWS has noted that, because “large scale ecological and evolutionary processes continue here, free of human control and manipulation”, ANWR is unique among American wildlife refuges. The USFWS also states that “The 19.2-million acre Arctic National Wildlife Refuge supports the greatest variety of plant and animal life of any Park or Refuge in the circumpolar arctic.”

Proponents of drilling in ANWR point out that drilling will be restricted to the 1002 area of ANWR, and total infrastructure will have a “footprint” of only 2,000 acres. This is a little misleading, as it implies that there will only be 2,000 acres worth of development. In actuality, the term “footprint”, as used here, only addresses points where permanent infrastructure actually touches the surface. This means miles and miles of oil pipeline would only have a “footprint” where the supports make contact with the ground. The “footprint” does not include areas which are fenced in, but uncovered. For example, if Conoco/Phillips fenced off a 5 acre section to enclose one oil pad, only the base of the oil pad which contacts the ground counts against the 2,000 acre limit.

The language is intentionally misleading, implying that the impact area is tiny compared to the entirety of ANWR. However, the ecological impact is clearly much larger than the mere “footprint”. One of the findings of the US Geological Survey (USGS) was that possible oil reserves may be located in complex formations, as opposed to one, big, contiguous field such as that found in Prudhoe Bay.

*“Consequently, development in the 1002 Area could likely require a large number of small production sites spread across the Refuge landscape, connected by an*

*infrastructure of roads, pipelines, power plants, processing facilities, loading docks, dormitories, airstrips, gravel pits, utility lines and landfills.” (USFWS)*

Drilling proponents also point out that technological advances have been made in low-impact oil extraction techniques. For instance, the use of temporary ice roads instead of gravel, directional drilling, slanted drilling which allows drilling at a distance as well as multiple wells per oil pad, and three-dimensional seismic surveys, which cut down on the need for exploratory drilling. However, according to the Congressional Research Service, safety issues may restrict the use of ice roads and pads in the hilly 1002 region. (Congressional Research Service p. 6, 2004). In addition the Bureau of Land Management points out that there is not enough fresh water in the 1002 area to support ice roads and pads, leaving gravel roads as the only alternative. Even if ice roads were a viable solution, depleting the region’s scarce fresh water resources is not exactly low-impact.

Despite drilling-proponent’s claims that oil-drilling is now environmentally safe, the evidence proves otherwise. The effects of oil spills are devastating to the surrounding environment, and oil spills are very common wherever pipelines exist. Just earlier this year (March 2, 2006), an oil spill was discovered at a caribou migration site in the North Slope. The source of the spill was a breach in a pipeline that is a tributary of the main pipeline of the Trans-Alaska Pipeline System (TAPS). Estimates of the amount of the spill range from 265,000 to 798,000 gallons of oil, either way it is the largest spill in North Slope history. Although most oil spills in the region are not as big, they happen with tremendous frequency – TAPS has averaged 504 spills on the North Slope per year since 1996. (Strickler, A. 2006).

Do not let corporate interests fool you with rhetoric about reducing our dependence on foreign oil. The same interests that lobby for drilling in ANWR also lobby against increasing

Corporate Average Fuel Economy (CAFE) standards, which sets the average fuel efficiency for a manufacturer's entire vehicle production for a given year. They are also the same interests that lobby against legislation that legitimately seeks to support, strengthen and promote alternative fuel technologies. How can we trust an interest which seeks to promote wasteful, unnecessary consumption with one hand, and use the consequences of that over-consumption, ever-increasing dependence on foreign oil, as an excuse to deregulate federally preserved lands with the other hand? The answer is simple: We cannot.

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